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INTERSTATE COMMERCE COMMISSION

EQUIPMENT MORTGAGE

THIS EQUIPMENT MORTGAGE AGREEMENT, dated as of November 13, 1975 is executed by North American Car Corporation (the "Company") and Crédit Lyonnais Chicago Branch (the "Bank") pursuant to a Letter Agreement (the "Letter Agreement") dated November 13, 1975 between the Company and the Bank, to induce the Bank to extend credit to the Company subject to the terms and conditions set forth in the Letter Agreement.

THEREFORE, in consideration of the premises, the Company agrees as follows:

Section 1. Definition of Equipment Mortgage.

In order to secure prompt payment of the principal and interest of the Notes (as defined in the Letter Agreement), whether now or hereafter outstanding, and all other amounts payable or to be payable by the Company under this Equipment Mortgage, the Letter Agreement and all other documents to be executed in connection with the Letter Agreement, (the "indebtedness") and faithful performance and observance by the Company of all its agreements and covenants contained in the Letter Agreement, this Equipment Mortgage and all other documents executed in connection with the Letter Agreement, the Company does hereby pledge, mortgage, and grant a security interest unto the Bank in and to the following:

- a) Any and all railroad cars and aircraft in which the Bank is granted a security interest pursuant to the Letter Agreement. The Company hereby agrees to execute, record (pursuant to Section 13 hereof) and deliver to the Bank Supplements to this Equipment Mortgage in the form of Attachment 1 hereto describing all property in which the Bank is granted a security interest (which property, together with all substitutions, replacements, modifications, and accessions thereto, is hereinafter called the "Equipment");
- b) All proceeds (including, without limitation, insurance and indemnity payments) from the sale or loss or other dispositions of Equipment;

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- c. All rights, claims, causes of action, if any, which the Company may have against any manufacturer of the Equipment, or against any lessee or sublessee of the Company as lessor, and the proceeds of such rights, claims and causes of action.

All such rights, claims, causes of action and proceeds together with the Equipment are hereinafter sometimes collectively called "Collateral".

The Bank shall and hereby does retain full security title to and property in the Equipment. Whenever reference herein is made to the title of the Bank to the Equipment such reference shall be deemed to mean the security interest of the Bank under this Equipment Mortgage.

When and only when the Indebtedness has been paid in full, and when the obligations of the Bank to advance funds to the Company has terminated, and all the Company's obligations herein contained shall have been performed, absolute right to possession of, title to and property in the Equipment shall pass to and vest in the Company.

Section 2. Representations and Warranties.

The Company represents and warrants:

- a. That it is the owner of all Equipment listed in any Supplement to this Equipment Mortgage, that there are at the time it becomes Equipment and will be no encumbrances or liens (other than leasehold interests and the security interest of the Bank created hereunder) of any kind or character against any of said Equipment and that it has good right and lawful authority to transfer, convey, assign, and mortgage the same.
- b. That all railroad cars listed in any Supplement to this Equipment Mortgage are not more than 18 months old at the time that they are subjected to this Equipment Mortgage.
- c. That all aircraft listed in any Supplement to this Equipment Mortgage are BAC-111 executive jet aircraft under operating leases at the time that they are subjected to this Equipment Mortgage.

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- d. The Company will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the title of the Bank or result in a lien upon any part of the Equipment, provided, however, that the Company shall be under no obligation to pay any impositions where the non-payment thereof does not, in the opinion of the Bank, adversely affect the title, lien property or rights of the Bank in or to the Equipment or otherwise under this Equipment Mortgage. If any impositions for which the Company is liable as aforesaid shall have been charged or levied against the Bank directly and paid by the Bank, the Company shall reimburse the Bank upon presentation of an invoice therefor, and any amounts so paid by the Bank shall be secured by and under this Equipment Mortgage.

Section 3. Maintenance and Repair; Casualty Occurrences; Release of Equipment.

The Company agrees that, at its own cost and expense, it will maintain and keep all the Equipment in good order and repair.

In the event of the loss, for any reason, damage, theft or destruction of any of the Equipment or of the obsolescence of any of the Equipment (herein a "Casualty Occurrence") or in the event that the Company requests a release of any such Equipment for the purpose of selling such Equipment to a third party the Company shall pay to the Bank an amount equal to the Collateral Value (as defined in the Letter Agreement) of such Equipment for application against the Notes, and, upon such payment and upon the written request of the Company, the Bank shall release such Equipment from the lien of the Equipment Mortgage.

Section 4. Reports and Inspections.

The Company shall cause to be furnished to the Bank within 45 days after the end of each quarter an accurate statement setting forth the amount and description of all Items of Equipment that have suffered a Casualty Occurrence during such quarter. The Company shall provide such other information regarding the condition and state of repair of the Equipment as the Bank may reasonably request. On or before March 31 in each year, the Company shall provide an opinion of counsel acceptable to the Bank to the effect that the Equipment Mortgage constitutes a first, prior and perfected lien on the Collateral. The Bank shall have the right to inspect the Equipment and the records with respect thereto at such reasonable times as the Bank may request; provided, however, that the Company shall not be required to assemble the Collateral for such inspection unless there exists an Event of Default hereunder.

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Section 5. Marking of Equipment.

The Company will keep and maintain, plainly, distinctly, permanently and conspicuously marked on such Item of Equipment suitable for marking, in letters not less than one inch in height:

TITLE TO THIS EQUIPMENT IS SUBJECT TO THE TERMS OF AN
EQUIPMENT MORTGAGE RECORDED UNDER THE INTERSTATE
COMMERCE ACT (THE FEDERAL AVIATION ACT OF 1958).

or other appropriate words stenciled on the Item(s) of Equipment with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Bank's security title to and property in the Equipment and its rights hereunder.

Once the Equipment is so marked the Company will not permit the identifying number of any Item(s) of Equipment to be changed.

Section 6. Compliance with Laws and Rules.

During the term of this Equipment Mortgage, the Company will comply, and will cause every lessee or user of the Equipment to comply, with all rules, regulations, orders and laws pertaining to the use, operation, or maintenance of the Equipment existing in the jurisdictions in which its or such lessees' operations involving the Equipment may extend; provided, however, that the Company, in good faith, may contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Bank adversely affect the property or rights of the Bank under this Equipment Mortgage.

Section 7. Possession and Use.

So long as an Event of Default specified in Article 10 hereof shall not have occurred and be continuing, the Company shall be entitled to the possession and use of the Equipment, but subject to all of the terms and conditions of this Equipment Mortgage and the Letter Agreement. The Company may also lease the Equipment to any corporation or entity, provided, however, that (i) such lease shall provide that the rights of such lessee are made expressly subordinate to the rights and remedies of the Bank under this Equipment Mortgage, however, the Bank agrees to attorn to the Lessee, provided that the Lessee continues to perform its obligations pursuant to the conditions set forth in the subject Lease, (ii) such lease shall contain an agreement that the lessee shall not assert any claim or defense against the Bank or its assignee, that he may have against the lessor and the lessee shall consent to assignments substantially as provided in the Assignment of Leases dated _____ between the Company and the Bank, and (iii) the Company shall not lease, assign or permit any items of Equipment to regular service in any area where the lien of this Equipment Mortgage is not perfected as such Equipment.

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Section 8. Indemnities and Warranties.

The Company will bear the responsibility for and risk of and shall not be released from its obligations hereunder in the event of any damage to or the destruction or loss of any item of Equipment or all the Equipment.

The Company agrees to indemnify, protect and hold harmless the Bank from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Company, its assigns or the users of the Equipment because of the use in or about the construction or operation of any of the Equipment of any design, system process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. Such covenants of indemnity shall continue in full force and effect notwithstanding the full satisfaction of the Indebtedness and the release and the conveyance of security title to the Equipment to the Company, or the termination of this Equipment Mortgage in any manner whatsoever.

Section 9. No Set-Off.

The rights of the Bank to payment of the Indebtedness as well as any other rights hereunder shall not be subject to any defense, set-off, counter-claim or recoupment whatsoever arising by reason of breach of any warranty with respect to the Equipment, any other indebtedness or liability at any time owing to the Company or insolvency, bankruptcy, reorganization or similar proceedings by or against the Company. The Company hereby waives, to the extent permitted by applicable law, any and all rights which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Equipment Mortgage, except in accordance with the express terms hereof.

Section 10. Defaults.

The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

- a. There shall occur an Event of Default under the Letter Agreement; or
- b. The Company shall fail to perform any covenants or agreements under this Equipment Mortgage within 20 days after notice from the Bank; or
- c. Any representation or warranty made to the Bank in connection with this Equipment Mortgage shall be incorrect on and as of the date when made.

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Section 11. Remedies.

Subject to the right of the lessees of aircraft subject to this mortgage, the Bank may demand possession of any or all of the Equipment if an Event of Default shall occur and be continuing. In case the Bank shall demand possession of any or all of the Equipment pursuant to this Equipment Mortgage, the Bank may designate some premises for delivery of the Equipment to the Bank, and the Company shall, at its own expense, forthwith cause the Equipment to be detached, assembled and shall arrange for such Equipment to be moved to such point and shall there deliver the Equipment to the Bank, and shall deliver all documents of title to the Equipment as may be requested by the Bank.

This Agreement to deliver the Equipment as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court having jurisdiction in the premises, the Bank shall be entitled to a decree against the Company requiring specific performance hereof. The Company hereby expressly waives any and all claims against the Bank or its agents for damages of whatever nature in connection with any taking of any or all item(s) of Equipment in any manner.

At any time during the continuance of an Event of Default subject to the right of the Lessees of aircraft subject to this mortgage, the Bank with or without retaking possession thereof, at its election and upon reasonable notice to the Company, and other persons to whom the law may require notice of the time and place, may sell the Equipment, or any part thereof, free from any and all claims of the Company, or any other party claiming from, through or under the Company at law or in equity, at public or private sale and with or without advertisement as the Bank may determine.

Any sale hereunder may be held or conducted at Chicago, Illinois, at such time or times as the Bank may specify (unless the Bank shall specify a different place or places, in which case the sale shall be held at such place or places as the Bank may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Bank may determine. The Company shall be given written notice of such sale not less than ten days prior thereto by telegram or registered mail addressed as provided in Section 17 hereof. If such sale shall be a private sale, it shall be subject to the rights of the Company to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intended purchaser or a better price. The Bank may bid for and become the purchaser of the Equipment, or any of it, so offered for sale. In the event that the Bank shall be the purchaser thereof, it shall not be accountable to the Company upon a subsequent disposition of the Equipment.

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If, as provided in this Section 11, the Bank shall exercise any of the powers conferred by this Equipment Mortgage, all payments made by the Company to the Bank hereunder and the proceeds of any judgment collected from the Company by the Bank hereunder, and the proceeds of every sale or lease by the Bank hereunder of any of the Collateral, together with any other sums which may then be held by the Bank under any of the provisions hereof, shall be applied to the payment, in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Bank in accordance with the provisions of this Equipment Mortgage and (b) of the Indebtedness.

Each and every power and remedy hereby specifically given to the Bank shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time simultaneously and as often and in such order as may be deemed expedient by the Bank. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Bank in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy and shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Company shall not otherwise alter or affect the Bank's rights or the Company's obligations hereunder. The Company's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Company's obligations or the Bank's rights hereunder with respect to any subsequent payments or default therein.

If after applying all sums of money realized by the Bank under the remedies herein provided, there shall remain any amount due to it under the provisions of this Equipment Mortgage or the Notes, the Company shall pay the amount of such deficiency to the Bank upon demand, and, if the Company shall fail to pay such deficiency within ten (10) days of said demand, the Bank may bring suit therefor and shall be entitled to recover a judgment therefor against the Company. If, after applying as aforesaid all sums realized by the Bank, there shall remain a surplus in the possession of the Bank, such surplus shall be paid to the Company.

The Company will pay all reasonable expenses, including attorneys' fees, incurred by the Bank in enforcing its remedies under the terms of this Equipment Mortgage or preparing to enforce its remedies after a default hereunder. In the event that the Bank shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Bank may recover any reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 11, are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

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Section 12. Applicable State Laws.

Any provision of this Equipment Mortgage prohibited by any applicable law or any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Equipment Mortgage. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Company to the full extent permitted by law, it being the intention of the parties hereto that this Equipment Mortgage shall be deemed to be a Chattel Mortgage and enforced as such.

Except as otherwise provided in this Equipment Mortgage, the Company to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease any of the Equipment, or any one or more Items of Equipment thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Bank's rights under this Equipment Mortgage and any and all rights of redemption.

Section 13. Recording.

The Company will cause this Equipment Mortgage, any assignment hereof and any amendments or supplements hereto or thereto to be duly filed and recorded at its own cost in accordance with the Interstate Commerce Act and the Federal Aviation Act of 1958 and the Uniform Commercial Code, and the Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Bank for the purpose of proper protection, to the satisfaction of counsel for the Bank, of its title to the Equipment and its rights under this Equipment Mortgage or for the purpose of carrying out the intention of this Equipment Mortgage; and the Company will promptly furnish to the Bank certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Bank.

Section 14. Satisfaction of Mortgage and Termination of Mortgage.

The Bank may release the lien of this Equipment Mortgage with respect to the Collateral upon the terms and conditions specified in the Letter Agreement.

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Section 15. Payment of Expenses.

The Company will pay for all the costs and expenses incident to this Equipment Mortgage and all reasonable costs and expenses in connection with the perfection of the Bank's lien upon the Equipment.

Section 16. Article Headings; Effect and Modification of Agreement.

All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Equipment Mortgage.

No variation or modification of this Equipment Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Bank and the Company.

Section 17. Notices.

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or sent by registered mail to it at its chief place of business at the following specified address:

- a. To the Company at: North American Car Corporation
222 South Riverside Plaza
Chicago, Illinois 60606
Attention: V.P.-Finance
- b. To the Bank at: Crédit Lyonnais
55 East Monroe Street
Chicago, Illinois 60603
Attention: T.A.D.

Section 18. Law Governing.

The terms of this Equipment Mortgage and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of Illinois; provided, however, that the parties shall be entitled to all rights conferred by this filing, recording or deposit hereof in the appropriate office(s) pursuant to the Interstate Commerce Act and the Federal Aviation Act of 1958.

Section 19. Counterparts.

This Equipment Mortgage may be executed by the parties hereto individually, or in any combinations of the parties hereto, in several counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

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Section 20.

This Equipment Mortgage shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Company may not assign or transfer its rights hereunder without the prior written consent of the Bank.

IN WITNESS WHEREOF, the Company has caused this Assignment to be executed by its officers thereunto duly authorized as of the day and year first above written.

(Corporate Seal)

NORTH AMERICAN CAR CORPORATION
a Delaware corporation

Attest:

R. E. Desmaris
Asst. Secretary

By

J. M. D. O'Keefe, Jr.

Title

Exec. V.P.

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ATTACHMENT I

SUPPLEMENT TO THE MORTGAGE

NORTH AMERICAN CAR CORPORATION, a Delaware corporation (the "Company") does hereby pledge, mortgage, and grant a security interest unto CREDIT LYONNAIS CHICAGO BRANCH (the "Bank") in and to the Equipment described in the Schedule hereunder.

Description of Equipment.

This Supplemental Mortgage is issued pursuant to and is governed by the terms and provisions of that certain Equipment Mortgage dated 197 , among the Company and the Bank and filed under section 20 (c) of the Interstate Commerce Act on , 197 , as Document Number .

(Corporate Seal)

NORTH AMERICAN CAR CORPORATION

Attest:

By _____

Title _____